

Kenai Peninsula Borough
Mayor's Office

MEMORANDUM

TO: Peter Ribbens, Assembly President
Members, KPB Assembly

FROM: Peter A. Micciche, Mayor

DATE: April 15, 2025

RE: LAYDOWN Micciche Amendment Resolution 2025-___, Requesting the Alaska Legislature Provide Municipalities Authority to Enact a Cap on Real Property Tax Assessments Increases (Mayor)

(Please note the bold underlined language is new and the bracketed strikeout language is to be deleted.)

➤ Amend Section 1 as follows:

SECTION 1. That the Assembly requests the current legislature review and amend AS 29.45, relating to Municipal Taxation, and any other relevant state statutes, to provide discretionary authority for municipalities to enact, at their option, a cap or limit on real property tax assessment increases **of 5% or more** ~~[NO MORE THAN] 5%~~ from the previous year's assessment unless there have been improvements or changes to the property. State law should provide that municipalities must enact such a cap by ordinance and the State shall not penalize municipalities that enact the optional cap.

➤ Amend Section 2 as follows:

SECTION 2. That a proposed amendment to AS 29.45.110 is provided below for the Alaska Legislature's consideration with additions shown in bold underline:

AS 29.45.110. Full and true value

(a) The assessor shall assess property at its full and true value as of January 1 of the assessment year, except as provided in this section, AS 29.45.060, and 29.45.230. The full and true value is the estimated price that the property would bring in an open market and under the then prevailing market conditions in a sale between a willing seller and a willing buyer both conversant with the property and with prevailing general price levels. The assessor shall determine the full and true value as provided in standards adopted by the department under (e) of this section or another set of standards provided by ordinance. Notwithstanding any requirements of this section to the contrary, a municipality may, by ordinance, provide a cap on

real property assessments that limits assessment increases for a property to [NO MORE THAN] a 5% **or greater** increase from the previous year's assessment, unless the assessment increase for the property is based on the addition of structures or other improvements that were not previously known to the assessor. A municipality is authorized to enact other requirements to administer and enforce a limit on assessment increases in accordance with this section and the state shall not penalize, in any way, a municipality for enacting a limit on assessment increases. The department shall provide such guidance and assistance to local municipalities as may be needed to implement this provision.

Your consideration is appreciated.